

Grayson Rural Electric Cooperative Corporation

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March 31, 2014

Mr. Jeff Derouen
Executive Director
Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40602

RECEIVED

APR - 2 2014

PUBLIC SERVICE
COMMISSION

Dear Mr. Derouen:

Pursuant to the Commission's Order in Case No. 2008-00128 dated August 20, 2008, please find enclosed for electronic filing with the Commission, Grayson Rural Electric's Tariff for Qualified Cogeneration and Small Power Production Facilities. Both clean (signed) and crossed-out versions of the tariff are included herein.

If you have any questions, please let me know.

Very truly yours,



Carol Hall Fraley
President & CEO

Enclosures

Grayson Rural Electric

COGENERATION AND SMALL POWER PRODUCTION
POWER PURCHASE RATE SCHEDULE OVER 100 kW

AVAILABILITY

Available only to qualified cogeneration or small power production facilities with a design capacity of over 100 kW which have executed a contract with East Kentucky Power Cooperative and Grayson Rural Electric for the purchase of electric power by East Kentucky Power Cooperative.

RATES

The rates set forth below shall be used as the basis for negotiating a final purchase rate with qualifying facilities pursuant to Section 7 of 807 KAR 5:054.

1. Capacity

- a. \$9.58 per kW per year is applicable if cogenerator or small power producer is dispatched by East Kentucky Power Cooperative. (I)
- b. \$0.00109 per kWh is applicable if cogenerator or small power producer is not dispatched by East Kentucky Power Cooperative. (I)

2. Energy – A base payment per kWh is listed below for a time-differentiated basis or a non-time differentiated basis for the specified years.

a. Time Differentiated Rates:

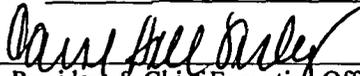
Year	Winter		Summer		
	On-Peak	Off-Peak	On-Peak	Off-Peak	
2014	\$0.04751	\$0.03723	\$0.04431	\$0.03236	(I)
2015	\$0.03855	\$0.03016	\$0.03760	\$0.02759	(R)
2016	\$0.03787	\$0.02960	\$0.03746	\$0.02742	(R)
2017	\$0.03812	\$0.02981	\$0.03797	\$0.02782	(R)
2018	\$0.03899	\$0.03051	\$0.03872	\$0.02832	(N)

b. Non-Time Differentiated Rates:

Year	2014	2015	2016	2017	2018^	
Rate	\$0.04092*	\$0.03381	\$0.03339	\$0.03371	\$0.03443^	(I)*(R)(N)^

DATE OF ISSUE March 31, 2014

DATE EFFECTIVE June 1, 2014

ISSUED BY 
President & Chief Executive Officer

Grayson Rural Electric.

COGENERATION AND SMALL POWER PRODUCTION
POWER PURCHASE RATE SCHEDULE
LESS THAN 100 kW

AVAILABILITY

Available only to qualified cogeneration or small power production facilities with a design capacity of less than 100 kW which have executed a contract with East Kentucky Power Cooperative and Grayson Rural Electric for the purchase of electric power by East Kentucky Power Cooperative.

RATES

- a. \$9.58 per kW per year is applicable if cogenerator or small power producer is dispatched by East Kentucky Power Cooperative. (I)
 - b. \$0.00109 per kWh is applicable if cogenerator or small power producer is not dispatched by East Kentucky Power Cooperative. (I)
2. Energy – A base payment per kWh is listed below for a time-differentiated basis or a non-time differentiated basis for the specified years.

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2015	\$0.03855	\$0.03016	\$0.03760	\$0.02759	(R)
2016	\$0.03787	\$0.02960	\$0.03746	\$0.02742	(R)
2017	\$0.03812	\$0.02981	\$0.03797	\$0.02782	(R)
2018	\$0.03899	\$0.03051	\$0.03872	\$0.02832	(N)

b. Non-Time Differentiated Rates:

Year	2014	2015	2016	2017	2018^	
Rate	\$0.04092*	\$0.03381	\$0.03339	\$0.03371	\$0.03443^	(I)*(R)(N)^

DATE OF ISSUE March 31, 2014

DATE EFFECTIVE June 1, 2014

ISSUED BY *David Hill Smith*
President & Chief Executive Officer

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. 2008-00128 Dated August 20, 2008

Grayson Rural Electric

COGENERATION AND SMALL POWER PRODUCTION
POWER PURCHASE RATE SCHEDULE OVER 100 kW

AVAILABILITY

Available only to qualified cogeneration or small power production facilities with a design capacity of over 100 kW which have executed a contract with East Kentucky Power Cooperative and Grayson Rural Electric for the purchase of electric power by East Kentucky Power Cooperative.

RATES

The rates set forth below shall be used as the basis for negotiating a final purchase rate with qualifying facilities pursuant to Section 7 of 807 KAR 5:054.

- 1. Capacity
 - a. ~~\$1.52~~ ~~\$9.58~~ per kW per year is applicable if cogenerator or small power producer is dispatched by East Kentucky Power Cooperative.
 - b. ~~\$0.00017~~ ~~\$0.00109~~ per kWh is applicable if cogenerator or small power producer is not dispatched by East Kentucky Power Cooperative.
- 2. Energy – A base payment per kWh is listed below for a time-differentiated basis or a non-time differentiated basis for the specified years.

a. Time Differentiated Rates:

Year	Winter		Summer	
	On-Peak	Off-Peak	On-Peak	Off-Peak
2013	\$0.03578	\$0.02816	\$0.03898	\$0.02851
2014	\$0.03795 \$0.04751	\$0.02985 \$0.03723	\$0.04042 \$0.04431	\$0.02955 \$0.03236
2015	\$0.03998 \$0.03855	\$0.03143 \$0.03016	\$0.04167 \$0.03760	\$0.03062 \$0.02759
2016	\$0.04131 \$0.03787	\$0.03244 \$0.02960	\$0.04379 \$0.03746	\$0.03211 \$0.02742
2017	\$0.04317 \$0.03812	\$0.03389 \$0.02981	\$0.04464 \$0.03797	\$0.03275 \$0.02782
2018	\$0.03899	\$0.03051	\$0.03872	\$0.02832

b. Non-Time Differentiated Rates:

Year	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Rate	\$0.03290	\$0.03455 \$0.04092	\$0.03608 \$0.03381	\$0.03753 \$0.03339	\$0.03881 \$0.03371	\$0.03443

DATE OF ISSUE March 29, 2013 March 31, 2014

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ISSUED BY _____
President & Chief Executive Officer

Grayson Rural Electric

COGENERATION AND SMALL POWER PRODUCTION
POWER PURCHASE RATE SCHEDULE
LESS THAN 100 kW

AVAILABILITY

Available only to qualified cogeneration or small power production facilities with a design capacity of less than 100 kW which have executed a contract with East Kentucky Power Cooperative and Grayson Rural Electric for the purchase of electric power by East Kentucky Power Cooperative.

RATES

1. Capacity

- a. ~~\$.152~~ *\$9.58* per kW per year is applicable if cogenerator or small power producer is dispatched by East Kentucky Power Cooperative.
- b. ~~\$0.00017~~ *\$0.00109* per kWh is applicable if cogenerator or small power producer is not dispatched by East Kentucky Power Cooperative.

2. Energy – A base payment per kWh is listed below for a time-differentiated basis or a non-time differentiated basis for the specified years.

a. Time Differentiated Rates:

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2014	\$0.03795 <i>\$0.04751</i>	\$0.02985 <i>\$0.03723</i>	\$0.04042 <i>\$0.04431</i>	\$0.02955 <i>\$0.03236</i>
2015	\$0.03998 <i>\$0.03855</i>	\$0.03143 <i>\$0.03016</i>	\$0.04167 <i>\$0.03760</i>	\$0.03062 <i>\$0.02759</i>
2016	\$0.04131 <i>\$0.03787</i>	\$0.03244 <i>\$0.02960</i>	\$0.04379 <i>\$0.03746</i>	\$0.03211 <i>\$0.02742</i>
2017	\$0.04317 <i>\$0.03812</i>	\$0.03389 <i>\$0.02981</i>	\$0.04464 <i>\$0.03797</i>	\$0.03275 <i>\$0.02782</i>
2018	\$0.03899	\$0.03051	\$0.03872	\$0.02832

b. Non-Time Differentiated Rates:

Year	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Rate	\$0.03290	\$0.03455 <i>\$0.04092</i>	\$0.03608 <i>\$0.03381</i>	\$0.03753 <i>\$0.03339</i>	\$0.03881 <i>\$0.03371</i>	\$0.03443

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